

SENATE RECORD VOTE ANALYSIS

105th Congress
1st Session

Vote No. 137

June 26, 1997, 8:40 pm
Page S-6455 Temp. Record

TAXPAYER RELIEF ACT/Tobacco Tax Hike for Insurance Deductibility

SUBJECT: Taxpayer Relief Act of 1997 . . . S. 949. Durbin motion to waive the Budget Act for the consideration of the Durbin amendment No. 519.

ACTION: MOTION REJECTED, 41-58

SYNOPSIS: As reported, S. 949, the Taxpayer Relief Act of 1997, will provide net tax relief of \$76.8 billion over 5 years and \$238 billion over 10 years. The cost will be more than offset by the economic dividend (\$355 billion over 10 years) that will result from balancing the budget in fiscal year (FY) 2002. This bill will enact the largest tax cut since 1981 and the first tax cut since 1986. It will give cradle-to-grave tax relief to Americans: it will give a \$500-per-child tax credit, education tax relief, savings and investment tax relief, retirement tax relief, and estate tax relief. Over the first 5 years, approximately three-fourths of the benefits will go to Americans earning \$75,000 or less. It will eliminate a third of the increased tax burden imposed by the 1993 Clinton tax hike, which was the largest tax hike in history.

The Durbin amendment would impose an additional 11-cents-per-pack tax on cigarettes and would raise excise taxes on other tobacco products as well in order to offset the cost of immediately making the health insurance costs of the self-employed fully deductible (under current law, 40 percent of those costs are deductible; Congress passed legislation last year to increase their deductibility to 60 percent by 2004; after the vote on this amendment, the Senate agreed to a Nickles amendment that would phase-in full deductibility without increasing taxes; see vote No. 138).

Debate on a first-degree amendment to a reconciliation bill is limited to 2 hours. Debate was further limited by unanimous consent. After debate, Senator Roth raised a point of order that the amendment violated section 305(b)(2) of the Budget Act. Senator Durbin then moved to waive the Budget Act for the consideration of the amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act. Following the failure of the motion to waive, the point of order was sustained and the amendment thus fell.

(See other side)

YEAS (41)			NAYS (58)			NOT VOTING (1)	
Republicans (12 or 22%)	Democrats (29 or 64%)		Republicans (42 or 78%)	Democrats (16 or 36%)		Republicans (1)	Democrats (0)
Abraham	Biden	Kohl	Allard	Helms	Akaka	Roberts- ²	
Bond	Bingaman	Landrieu	Ashcroft	Hutchinson	Baucus		
Collins	Boxer	Lautenberg	Bennett	Inhofe	Breaux		
DeWine	Bumpers	Leahy	Brownback	Jeffords	Bryan		
Gorton	Daschle	Levin	Burns	Kempthorne	Byrd		
Gregg	Dodd	Lieberman	Campbell	Kyl	Cleland		
Hutchison	Dorgan	Mikulski	Chafee	Lott	Conrad		
Lugar	Durbin	Murray	Coats	Mack	Ford		
McCain	Feingold	Reed	Cochran	McConnell	Graham		
Santorum	Feinstein	Reid	Coverdell	Murkowski	Hollings		
Shelby	Glenn	Sarbanes	Craig	Nickles	Inouye		
Specter	Harkin	Torricelli	D'Amato	Roth	Kerrey		
	Johnson	Wellstone	Domenici	Sessions	Moseley-Braun		
	Kennedy	Wyden	Enzi	Smith, Bob	Moynihan		
	Kerry		Faircloth	Smith, Gordon	Robb		
			Frist	Snowe	Rockefeller		
			Gramm	Stevens			
			Grams	Thomas			
			Grassley	Thompson			
			Hagel	Thurmond			
			Hatch	Warner			
						EXPLANATION OF ABSENCE:	
						1—Official Business	
						2—Necessarily Absent	
						3—Illness	
						4—Other	
						SYMBOLS:	
						AY—Announced Yea	
						AN—Announced Nay	
						PY—Paired Yea	
						PN—Paired Nay	

Those favoring the motion to waive contended:

According to a survey of its members by the National Federation of Independent Businesses (NFIB), the number one priority of business owners in America is to have their health insurance costs be fully deductible. Current law gives everyone in America the right to deduct 100 percent of their health insurance costs unless they happen to be self-employed. The 23 million people in America who happen to be self-employed can only deduct 40 percent. Many of these self-employed people are struggling to get by, and the loss of that extra deductibility often means the difference between whether they can afford to buy insurance or not. The Durbin amendment would correct this injustice. We know that many of our colleagues support this proposal but they do not support the means, a new cigarette tax, by which we would pay for full deductibility. We think that means is justified. Tobacco is a dangerous product, and increasing the Federal tax on it would discourage its use. We know that some low-income tobacco farmers would be hurt by such an increase, so if our colleagues so desired we would be willing to join them in increasing Federal spending to teach those farmers how to grow other crops. Out of fairness to the self-employed, and to discourage tobacco use, we urge our colleagues to waive the Budget Act for the consideration of the Durbin amendment.

Those opposing the motion to waive contended:

Argument 1:

In the debate on this bill, tobacco has been the favorite whipping boy of Senators who are from States where tobacco is not grown. Any time they have a new great idea for spending money their first thought is to tax tobacco. The Senator from Illinois is from a farm State where a lot of corn is grown; his amendment, though, does not ask for a new 11-cents-per-bushel tax on corn. Instead, it asks for another 11-cents-per-pack tax increase on tobacco, which will already get hit with a 20-cents-per-pack tax hike by this bill. Supporters of this amendment have said that they expect that it will cause smoking to decline, which is a result they are after. They say that they want to stop smoking because it is bad for people's health and they would rather give them assistance to grow new crops. In our opinion, whether any adult smokes or not is up to that adult, not Senators. As for our colleagues' willingness to help tobacco farmers move to new crops, we note that most of the farmers are doing it for a second income on a piece of land that is too small for anything but tobacco, and we also note that this amendment will do nothing to help tobacco farmers nor have any other proposals they have put forward. Our colleagues are out to destroy a way of life that has been practiced for 300 years because they have decided that people should not be allowed to accept the health risks and smoke if that is their desire. In putting together this bill, a deal was reached that the tax on cigarettes would not be raised by more than 20 cents. The Durbin amendment would flagrantly break that deal with another 11-cents increase. This amendment is unacceptable. We urge its rejection.

Argument 2:

We have fought for years to make health care insurance for the self-employed fully deductible. It is with reluctance, therefore, that we must oppose this amendment. We are simply not willing to break the deal that was reached on tobacco taxes. After this vote, another amendment will be offered that will phase in, by 2007, full deductibility of the self-employed's health insurance costs (see vote No. 138). We would rather not have the delay, and will work with our colleagues to find a means of making those costs fully deductible immediately. We will not do so, however, at the price of breaking the budget agreement. Therefore, we urge the rejection of this amendment.